

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

DCI Host Breakfast in Honor of Senator Phil Gramm  
Monday, 22 September 1986, 8:00 a.m., DCI Dining Room

FROM:

David D. Gries  
Director of Congressional Affairs

EXTENSION

NO

DATE

19 September 1986

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. *PHD*  
DCI

22 SEP 1986

*WJC*cc: DDO  
DDI

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DCI  
EX-103  
REG

B-808-IR

~~SECRET~~

19 September 1986

MEMORANDUM FOR: DCI  
FROM: Dave Gries *nb*  
SUBJECT: Breakfast for Senator Gramm

You are scheduled to host breakfast for Senator Phil Gramm (R., TX) on Monday, 22 September at 8:00. Also attending are Clair George, Dick Kerr and myself.

As you know, Gramm is a member of the Senate Armed Services Committee (Subcommittees on Defense Acquisition Policy, Preparedness, and Sea Power and Force Projection).

The Almanac of American Politics 1986 notes of Gramm: "He is aggressive and often less than tactful asserting his views; he has the demeanor of a man speaking too rapidly who is in the process of spilling part of his lunch on his tie. But he is also genuinely bright, quite without ethnic or racial prejudice, and idealistic (he would be voicing the same views if they cost him tenure at A&M rather than getting him a seat in the U.S. Senate). He is ambitious, and some observers think he has his eye on the presidency."

Proposed talking points and biographic information are attached.

Attachments

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Biographic Highlights

Name (including party/state): Phil Gramm (R., TX)

First Elected: 1984

Winning percentage in last election: 59%

Up for re-election: 1990

Past service on intelligence committee: No

Current service on intelligence committee: No

Current committee assignments:

Armed Services (Subs on Defense Acquisition Policy; Preparedness; Sea Power  
and Force Projection)

Banking, Housing and Urban Affairs

Key Votes: (House Service)

Bar covert U.S. aid to Nicaragua (1983) - N

Bar aid to anti-Sandinista forces in Nicaragua (1984) - ?

Authorize procurement of 21 MX missiles (1985) - Y (Senate Service)

Raise Social Security retirement age to 67 (1983) - Y

Pass Equal Rights Amendment (1983) - N

Pass bill to revise immigration laws (1984) - N

*Texas - Junior Senator*

## Phil Gramm (R)

Of Bryan — Elected 1984

**Born:** July 8, 1942, Fort Benning, Ga.  
**Education:** U. of Georgia, B.B.A., 1964, Ph.D. 1967.  
**Occupation:** Economics professor.  
**Family:** Wife, Wendy Lee; two children.  
**Religion:** Episcopalian.  
**Political Career:** U.S. House, 1979-85; sought Democratic nomination for U.S. Senate, 1976.  
**Capitol Office:** 174 Russell Bldg. 20510; 224-2934.



In Washington: Gramm's ascendancy from the House to the Senate was more than just a good career move — it placed him in an institution where he should fit more comfortably. The brash self-confidence and self-promotion that often irked his House colleagues are better tailored to the Senate, where individualism is the norm and mavericks are treated more gently.

Gramm's move also seems likely to inaugurate a period of stability in what has been a stormy congressional career. Stripped of his place on the House Budget Committee by Democratic leaders for his role in building President Reagan's 1981-82 budget, Gramm left the Democratic Party, resigned his House seat and won re-election as a Republican in 1983. He had barely settled into his new role when GOP Sen. John Tower announced his retirement, setting up Gramm's Senate campaign in 1984.

Gramm felt House Democrats had punished him "for practicing in Washington what I preach at home." But there was considerably more to it than that. Other conservative Democrats were as committed to Reagan's program as he was — fellow Texan Kent Hance sponsored the 1981 tax cut — and none of them came close to losing a committee assignment.

Part of Gramm's problem was that he not only served as a Reagan loyalist, but as a spy in the Democratic camp. He sat in on caucuses of Budget Committee Democrats and reported the results to the White House, particularly his friend, budget director David A. Stockman.

He also alienated Democratic colleagues because he was successful. When Gramm brought Reagan's budget to the floor in 1981, it attracted 63 Democratic votes on the floor, more than enough to ensure passage. Later in 1981, after the Budget Committee assembled \$37 billion in specific spending cuts to meet the budget's demands, he offered a more stringent set of cuts supported by the Reagan adminis-

tration, and his version won out on the floor.

Those initiatives also carried the name of Delbert L. Latta of Ohio, the ranking Republican on Budget. But Gramm, as Stockman's close friend and ally, played a direct role in their formulation. His name on the proposal enabled the Conservative Democratic Forum, led by Gramm's Texas colleague, Charles W. Stenholm, to sell them as bipartisan.

Gramm adapted easily to the role of a partisan Republican after rejoining the Budget Committee as a Republican in 1983. He was one of four Republicans who hand-delivered a letter to the president pledging support for Reagan's vetoes of appropriations bills the president felt contained too much money.

While Gramm's 1984 Senate campaign limited his legislative role in the 98th Congress, he did manage to trigger one controversy. During 1983 debate over a bill authorizing U.S. contributions to the International Monetary Fund, Gramm offered an amendment forcing the United States to vote against IMF loans to "communist dictatorships." He was reacting against the efforts of liberals to block IMF loans to the apartheid regime in South Africa.

Gramm's proposal passed the House, but only over the objection of the Reagan administration, which wanted the IMF bill and feared that Gramm's proposal would imperil its passage. Gramm further alienated members of both parties by targeting some 20 Democratic opponents of his proposal with press releases sent to their home districts, that suggested they had shown a "total disrespect for the freedom we've always fought for."

Despite the criticism his tactics provoked, Gramm emerged with a partial victory. The final legislation, which was passed into law, included toned-down versions of the anti-communist and anti-apartheid provisions.

*Phil Gramm, R-Texas*

Gramm has never thought small. "I came here with a goal in mind," he said in 1980, "of reversing a 30-year trend toward more and more government power."

Gramm's ambition all but guaranteed conflict with Majority Leader Jim Wright, who is forced to work hard for votes in his conservative Texas delegation. Gramm fought Wright continually over budget issues in his first term; at one point, when Gramm joined Maryland Republican Marjorie S. Holt in proposing a budget substitute to be offered on the House floor, Wright demanded that Gramm's name be stripped from the amendment and that Holt be considered sole author.

For a brief period in early 1981, relations between Gramm and the leadership seemed to improve. In campaigning for a seat on Budget at the start of 1981, Gramm assured Wright he would try to support Democratic Party policy positions. He even put it in writing. "I will work hard to perfect a budget in committee and during floor debate," Gramm wrote to Wright, "but as a member of the committee, I will support final passage of the budget."

A few months later, when he did exactly the opposite, Gramm said his actions should not have surprised anyone. "I have supported a position that I have supported since I came to Congress," he said. "Basically, the pledge I made was that I would represent my constituents' interests, but that I certainly would make every effort to be a team player." Most Democrats felt he had not tried too hard.

On the House Commerce Committee, where he served for two terms — he had to leave when he switched parties — Gramm had a somewhat different experience. He developed a working relationship with the Democrat in charge, Michigan's John D. Dingell.

Still, he voted against Dingell and the Democrats on most issues, building conservative coalitions with Republicans on the committee, especially Stockman, who was serving in the House in the 96th Congress. Close to the American Medical Association, Gramm was a militant critic of President Carter's hospital cost control plan, which died in the House in 1979.

**At Home:** Whatever the effects of Gramm's 1983 party switch in Washington, the move bolstered his political career back home. His comfortable victory in the 1983 special House election set the stage for his stunning 1984 Senate triumph.

Thwarting Democrats' hopes of forcing him into a runoff, Gramm won the special election outright, tapping a massive treasury and a superior organization to take 51 percent.

His victory gave the 6th Congressional District to the GOP for the first time in Texas history.

In building that victory, Gramm invested heavily in media markets encompassing Dallas, Houston and Fort Worth — giving him exposure that proved invaluable in his subsequent Senate campaign. When Republican John Tower announced that he would retire at the end of the 98th Congress, Gramm was already a familiar figure in the state's populous parts.

Bolstered by his superior name recognition, Gramm took a commanding lead for the Republican Senate nomination, and he never looked back. Largely ignoring his intraparty foes, he spent the spring of 1984 canvassing areas not normally hospitable to the GOP.

The Democrats, meanwhile, were conducting a tortuous nominating campaign. State Sen. Lloyd Doggett, a hard-charging liberal, struggled to a narrow second-place finish in the grueling primary, then squeezed past conservative U.S. Rep. Kent Hance in a runoff that further polarized the party and ate up Doggett's resources and time.

When Doggett finally emerged for the general election campaign, Gramm had him fixed firmly in his sights. The Republican launched an aggressive statewide media campaign questioning Doggett's commitment to traditional family values. One ad observed that Doggett had accepted a contribution from a gay group that raised part of the money at an all-male striptease show. Doggett later returned the funds, but the ad kept him on the defensive.

In response, Doggett tried to cast Gramm as a right-wing extremist too radical to represent Texas. He accused Gramm of attempting to cut Social Security and of calling for the eventual elimination of federal education aid.

But Doggett's counteroffensive could not stem the Republican tide. The Democrat ran well among blacks and Hispanics, carried South Texas and his home base of Travis County (Austin). But Gramm's strategy helped him make impressive inroads into conservative rural East and West Texas, territory that would go Democratic in an ordinary year. Aided by a 3-to-1 spending advantage and fallout from President Reagan's strong campaign, Gramm racked up 59 percent of the vote — the best showing ever achieved by a Republican statewide candidate in Texas.

Before he ran for Congress in 1976, Gramm's life was centered around the academic community at Texas A&M, where he taught economics. He wrote extensively on economics and energy and established a consulting firm that did contract research for government and private industry in the United States.

**Phil Gramm, R-Texas**

Canada and Australia.

Gramm was barely known statewide when he challenged incumbent Lloyd Bentsen in the 1976 Democratic Senate primary. Claiming that Bentsen had moved to the left to mount his ill-fated 1976 presidential campaign, he presented himself as a conservative alternative. Under-financed, he drew only 29 percent.

Two years later, with better name recognition and financial support, Gramm sought the Democratic nomination to succeed Olin Teague, challenging a Fort Worth television weatherman who was Teague's personal choice.

Gramm survived an expensive primary and runoff by building a campaign treasury of nearly a half-million dollars. In the general

election, his national New Right support emptied a successful Republican challenge.

In 1982, Gramm faced a spirited primary challenge from a candidate cheered on by national Democratic establishment — Teague, son of Gramm's House predecessor. Teague called Gramm a turncoat who had abandoned his party's traditional concern for the disadvantaged and average-income people.

But Gramm cast the election as a referendum on whether he was fulfilling his promise to carry the district's fiscal conservatism to Washington. The incumbent took 62 percent to win the primary. Republicans, who had fielded a candidate in case Gramm lost, showed little interest after his nomination.

**Committees**

Armed Services (10th of 10 Republicans)  
Defense Acquisition Policy; Preparedness; Sea Power and Force Projection.

Banking, Housing and Urban Affairs (8th of 8 Republicans)  
Economic Policy; Financial Institutions and Consumer Affairs; Housing and Urban Affairs; Securities.

**Elections**

<b>1984 General</b>		
Phil Gramm (R)	3,111,348	(59%)
Lloyd Doggett (D)	2,202,557	(41%)
<b>1984 Primary</b>		
Phil Gramm (R)	246,716	(73%)
Ron Paul (R)	55,431	(17%)
Rob Mosbacher (R)	26,279	(8%)
Henry C. Grover (R)	8,388	(3%)

Previous Winning Percentages: 1983\*† (55%) 1982\* (95%)  
1980\* (71%) 1978\* (65%)

\* House Elections.

† Special Election.

**Campaign Finance**

	Receipts	Receipts from PACs	Expenditures
<b>1984</b>			
Gramm (R)	\$9,804,902	\$1,325,375 (14%)	\$9,452,357
Doggett (D)	\$6,032,864	\$804,967 (13%)	\$5,889,458

**Voting Studies**

Year	Presidential Support		Party Unity		Conservative Coalition	
	S	O	S	O	S	O
<b>House Service</b>						
1984	37	27	58	5	69	19
1983	73	16	79	11	93	7
1982	84	14	10	87	89	10
1981	75	22	20	77	99	1
1980	39	59	24	72	92	8
1979	37	61	26	69	91	9

S = Support

O = Opposition

† Not eligible for all recorded votes. Rep. Phil Gramm, R-Texas, resigned Jan. 5, 1983. He had been elected as a Democrat and cast his first three votes of 1983 as a member of that party. His party unity score as a Democrat was 33 percent; opposition was 67 percent. Gramm was re-elected Feb. 12, 1983, as a Republican and sworn in Feb. 22, 1983. The scores for 1983 Party Unity reflect his votes as a Republican.

**Key Votes**

House Service

Raise Social Security retirement age to 67 (1983)  
Bar covert U.S. aid to Nicaragua (1983)  
Reduce dairy price supports (1983)  
Pass Equal Rights Amendment (1983)  
Freeze physicians' fees under Medicare (1984)  
Bar aid to anti-Sandinista forces in Nicaragua (1984)  
Pass bill to revise immigration laws (1984)  
Cut education spending (1984)

Senate Service

Authorize procurement of 21 MX missiles (1985)

**Interest Group Ratings**

Year	ADA	ACA	AFL-CIO	CCUS
1984	10	100	22	78
1983	0	96	0	88
1982	10	100	10	73
1981	0	88	13	69
1980	0	71	11	76
1979	0	77	20	62

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DINING ROOM EVENTS  
CHECKLISTTime/Date of Event: 0800-Monday, 22 September 1986Event: Breakfast XX Luncheon \_\_\_\_\_ Dinner \_\_\_\_\_ Other \_\_\_\_\_Host: DCI XX DDCI \_\_\_\_\_ ExDir \_\_\_\_\_ Other \_\_\_\_\_Place: DCI D.R. XX Executive Dining Room \_\_\_\_\_ Other \_\_\_\_\_In Honor Of: Senator Phil GrammTotal Number of Attendees: 5\*Sponsoring Component: OCA Charge To: 40998Contact: [ ] Ext.: [ ] Room: 7D43 Hqs.Date Reservation Made: 15 Sept 1986 By: hcbEDR and Zandra advised: 15 Sept 1986 Cys To: DCI; DDI; DDO; OCA; EDR

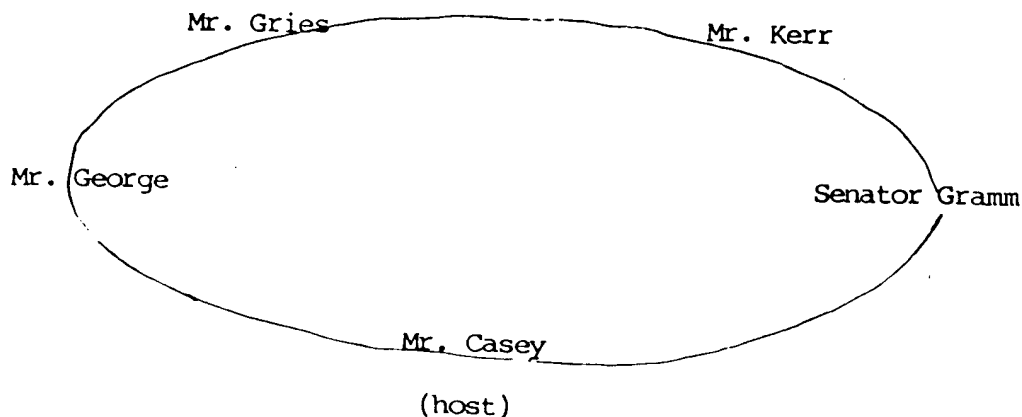
## Place Cards:

Ordered: \_\_\_\_\_ Date \_\_\_\_\_ Received: \_\_\_\_\_ To EDR: \_\_\_\_\_  
Date Date Date

Menu: WILL ORDER FROM MENU

Prepared \_\_\_\_\_ Distributed To: \_\_\_\_\_

\*Mr. William J. Casey, host  
 Senator Phil Gramm, guest of honor  
 Mr. Clair George, DDO  
 Mr. Richard Kerr, DDI  
 Mr. David Gries, D/OCA



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